management. Consequently, in 1943, Congress, in an effort to provide an incentive for improved forest management, passed legislation that allowed capital gains treatment under 631(b) of the IRS Code for pay-as-cut sales, leaving lump-sum sales to pay the much higher rate of income tax. It is said that President Roosevelt opposed the bill and almost vetoed it.

Today, however, Section 631(b), like so many provisions in the IRS Code, is outdated. Forest management practices are much different from what they were in 1943 and lump-sum sales are no longer associated with poor forest management. And, while there are occasional special situations where other methods may be more appropriate, most timber owners prefer this method over the ''pay-as-cut'' method. The reasons are simple: title to the timber is transferred upon the closing of the sale and the buyer assumes the risk of any physical loss of timber to fire, insects, disease, storms, etc. Furthermore, the price to be paid for the timber is determined and received at the time of the sale.

Unfortunately, in order for timber owners to qualify for the favorable capital gains treatment, they must market their timber on a ''pay-as-cut'' basis under Section 631(b) which requires timber owners to sell their timber with a ''retained economic interest.'' This means that the timber owner, not the buyer, must bear the risk of any physical loss during the timber sale contract period and must be paid only for the timber that is actually harvested. As a result, this type of sale can be subject to fraud and abuse by the timber buyer. Since the buyer pays only for the timber that is removed and scaled, there is an incentive to waste poor quality timber by breaking the tree during the logging process, underscaling the timber, or removing the timber without scaling. But because 631(b) provides for the favorable tax treatment, many timber owners are forced into exposing themselves to unnecessary risk of loss by having to market their timber in this disadvantageous way instead of the more preferable lump-sum method.

Like many of the provisions in the tax code, Section 631(b) is outdated and prevents good forestry business management. Timber farmers, who have usually spent decades producing their timber ''crop'', should be able to receive equal tax treatment regardless of the method used for marketing their timber.

In the past, the Joint Committee on Taxation has studied this legislation to consider what impact it might have on the Treasury and found that it would have no real cost—only a ''negligible change'' according to their analysis.

The IRS has no business stepping in and dictating the kind of sales contract a landowner must choose. My legislation will provide greater consistency by removing the exclusive ''retained economic interest'' requirement in the IRC Section 631(b). Reform of 631(b) is important to our nation's non-industrial, private landowners because it will improve the economic viability of their forestry investments and protect the taxpayer from unnecessary exposure to risk of loss. This in turn will benefit the entire forest products industry, the U.S. economy and especially small landowners.

SUBMITTED RESOLUTIONS

SENATE CONCURRENT RESOLUTION 26—AUTHORIZING THE ROTUNDA OF THE CAPITOL TO BE USED ON JULY 18, 2001, FOR A CEREMONY TO PRESENT CONGRESSIONAL GOLD MEDALS TO THE ORIGINAL 29 NAVAJO CODE TALKERS

Mr. BINGAMAN submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 26

Resolved by the Senate (the House of Representatives concurring), That the Rotunda of the Capitol is authorized to be used on July 18, 2001, for a ceremony to present Congressional Gold Medals to the original 29 Navajo Code Talkers. Physical preparations for the ceremony shall be carried out in accordance with such conditions as the Architect of the Capitol may prescribe.

AMENDMENTS SUBMITTED AND PROPOSED

SA 110. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table.

SA 111. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 27, supra; which was ordered to lie on the table.

SA 112. Mr. DOMENICI (for himself, Mr. ENSIGN, and Mr. SESSIONS) proposed an amendment to the bill S. 27, supra.

SA 113. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 114. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 110. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. LIMITATION ON REIMBURSEMENT FROM CAMPAIGNS FOR CONTRIBUTIONS BY SENATE CANDIDATES AND IMMEDIATE FAMILIES OF SENATE CANDIDATES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is amended by adding at the end the following:

''SEC. 324. LIMITATION ON REIMBURSEMENT FROM CAMPAIGNS FOR CONTRIBUTIONS BY SENATE CANDIDATES AND IMMEDIATE FAMILIES OF SENATE CANDIDATES.

''(a) IN GENERAL.—The aggregate amount of contributions made during an election cycle to a candidate for the office of Senator or the candidate's authorized committees from the sources described in subsection (b) that may be reimbursed to those sources shall not exceed $250,000.

''(b) SOURCES.—A source is described in this subsection if the source is—

''(1) personal funds of the candidate and members of the candidate's immediate family; or

''(2) personal loans incurred by the candidate and members of the candidate's immediate family.

''(c) INDEXING.—The $250,000 amount under subsection (a) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 2000.''.

SA 111. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. EXEMPTION FOR STATE AND LOCAL POLITICAL COMMITTEES FROM NOTIFICATION AND REPORTING REQUIREMENTS IMPOSED BY PUBLIC LAW 106–230.

(a) EXEMPTION FROM NOTIFICATION REQUIREMENTS.—Paragraph (5) of section 527(i) of the Internal Revenue Code of 1986 (relating to organizations must notify Secretary that they are section 527 organizations) is amended by striking ''or'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', or'', and by adding at the end the following new subparagraph:

''(C) which—

''(i) engages in exempt function activity solely in the attempt to influence the selection, nomination, election, or appointment of any individual to any State or local public office or office in a State or local political organization, and

''(ii) is subject to State or local contribution and expenditure reporting requirements relating to selections, nominations, elections, and appointments to such offices, and reports under such requirements are publicly available.''.

(b) EXEMPTION FROM REPORTING REQUIREMENTS.—Paragraph (5) of section 527(j) of such Code (relating to required disclosures of expenditures and contributions) is amended by striking ''or'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', or'', and by adding at the end the following new subparagraph:

''(F) to any organization which—

''(i) engages in exempt function activity solely in the attempt to influence the selection, nomination, election, or appointment of any individual to any State or local public office or office in a State or local political organization, and

''(ii) is subject to State or local contribution and expenditure reporting requirements relating to selections, nominations, elections, and appointments to such offices, and reports under such requirements are publicly available.''.

(c) EXEMPTION FROM REQUIREMENTS FOR ANNUAL RETURN BASED ON GROSS RECEIPTS.—Paragraph (6) of section 6012(a) of such Code is amended by striking ''section)'' and inserting ''section and an organization described in section 527(i)(5)(C)''.

(d) EFFECTIVE DATE.—Notwithstanding section 402, the amendments made by this section shall take effect as if included in the amendments made by Public Law 106–230.

SA 112. Mr. DOMENICI (for himself, Mr. ENSIGN, and Mr. SESSIONS) proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. USE OF PERSONAL WEALTH FOR CAMPAIGN PURPOSES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following:

''(i) USE OF PERSONAL WEALTH.—

''(1) REQUIRED DECLARATION.—

''(A) IN GENERAL.—Not later than 15 days after the date a candidate for the office of Senator is required to file a declaration of candidacy under Federal law, the candidate shall file with the Commission a declaration stating whether or not the candidate intends to expend personal funds in connection with the candidate's election for office, in an aggregate amount equal to or greater than $500,000.

''(B) PERSONAL FUNDS.—In this subsection, the term 'personal funds' means—

''(i) funds of the candidate (including funds derived from any asset of the candidate) or funds from obligations incurred by the candidate in connection with the candidate's campaign; and

''(ii) funds of the candidate's spouse, a child, stepchild, parent, grandparent, brother, sister, half-brother, or half-sister of the candidate and the spouse of any such person, and a child, stepchild, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate's spouse and the spouse of such person.

''(C) FORM OF STATEMENT.—The statement required by this subsection shall be in such form, and shall contain such information, as the Commission may, by regulation, require.

''(2) INCREASE IN LIMITS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, in any election in which a candidate for the office of Senator declares an intention to expend more personal funds than the limit described in paragraph (1)(A), expends personal funds in excess of such limit, or fails to file the declaration required by this subsection, the increased contribution limits under subparagraph (B) shall apply to other eligible candidates in the same election.

''(B) LIMIT AMOUNTS.—The increased limits under this subparagraph are the following:

''(i) In the case of an election in which a candidate declares an intention to expend, or expends, personal funds in an amount equal to or greater than $500,000 but not more than $749,999, the limits under paragraphs (1)(A) and (2)(A) of subsection (a) shall be 3 times the applicable limit.

''(ii) In the case of an election in which a candidate declares an intention to expend, or expends, personal funds in an amount equal to or greater than $750,000 but not more than $999,999—

''(I) the limits under paragraphs (1)(A) and (2)(A) of subsection (a) shall be 5 times the applicable limits; and

''(II) the limits under subsection (h) shall not apply.

''(iii) In the case of an election in which a candidate declares an intention to expend, or expends, personal funds in an amount equal to or greater than $1,000,000—

''(I) the limit under subsection (a)(1)(A) shall be 5 times the applicable amount;

''(II) the limits under subsection (a)(2)(A) with respect to a contribution from a State or national committee of a political party, (d), and (h) shall not apply.

''(3) ELIGIBLE CANDIDATE.—In this paragraph, an eligible candidate is a candidate who is not required to file a declaration under paragraph (1) or amended declaration under paragraph (5).

''(4) INAPPLICABILITY OF INCREASED LIMITS.—If the increased limitations under paragraph (2) are in effect for a convention or a primary election, as a result of an individual candidate, and such individual candidate is not a candidate in any subsequent election in such campaign, including the general election, the provisions of paragraph (2) shall no longer apply to eligible candidates in such subsequent elections.

''(5) AMENDED DECLARATION.—

''(A) IN GENERAL.—Any candidate who—

''(i) declares under paragraph (1) that the candidate does not intend to expend personal funds in an aggregate amount in excess of the limit described in paragraph (1)(A); and

''(ii) subsequently does expend personal funds in excess of such limit or intends to expend personal funds in excess of such limits, such candidate shall notify and file an amended declaration with the Commission and shall notify all other candidates for such office within 24 hours after changing such declaration or exceeding such limits, whichever first occurs, by sending such notice by certified mail, return receipt requested.

''(B) ADDITIONAL NOTIFICATION.—After the candidate files a declaration under paragraph (1)(A) or an amended declaration under subparagraph (A), the candidate shall file an additional notification with the Commission and all other candidates for such office each time expenditures from personal funds are made in an aggregate amount in excess of—

''(i) $750,000; and

''(ii) $1,000,000.

''(6) ENFORCEMENT.—The Commission shall take such action as it deems necessary under the enforcement provisions of this Act to assure compliance with the provisions of this subsection.''.

SEC. 306. USE OF CONTRIBUTIONS TO REPAY PERSONAL LOANS.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by section 305, is amended by adding at the end the following:

''(j) LIMITATION ON REPAYMENT OF PERSONAL LOANS.—Any candidate who incurs personal loans in connection with the candidate's campaign for election shall not repay (directly or indirectly), to the extent such loans exceed $250,000, such loans from any contributions made to such candidate or any authorized committee of such candidate after the date of such election.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to loans made or incurred after the date of enactment of this Act.

Mr. WARNER. Mr. President, I rise today in support of the Domenici amendment.

As chairman of the Rules Committee during the 105th Congress, I had the honor of presiding over numerous hearings on campaign finance reform. As a result of these two years of hearings, discussions with numerous experts and colleagues, and the result of over two decades of participating in campaigns and campaign finance debates, I have developed some strong opinions on the issue of campaign finance reform. In fact, during the 105th and 106th Congresses, I introduced my own campaign finance reform bills. One aspect of both bills was a provision designed to level the playing field for candidates running against self-financed candidates.

Candidates with personal wealth have a distinct advantage because of their constitutional right to spend their own funds. The prospect of facing a self-financed candidate can be daunting and may prevent many talented potential candidates from entering a political contest. My bill contained provisions similar to Senator DOMENICI'S amendment before use now that raise contribution limits for candidates running against self-financed candidates. Just as my bill raised contribution limits incrementally according to how much the self-financed candidate spends on his or her campaign, Senator DOMENICI'S amendment does the same.

Mr first criteria when analyzing issues of campaign finance reform is that the legislation must be consistent with first amendment. The Congress must respect and protect the constitutional right of individuals, groups, and organizations to participate in advocacy concerning political issues, and this includes self-financed candidates. This amendment does not constrain the first amendment rights of the self-financed candidate, it merely levels the playing field and opens up the political process to those of more modest means.

I urge my colleagues to support this amendment.

Beginning on page 22, strike line 1 and all that follows through page 24, line 2 and insert the following:

SEC. 212. REPORTING REQUIREMENTS FOR INDEPENDENT EXPENDITURES.

(a) TIME FOR REPORTING CERTAIN EXPENDITURES.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by sections 103 and 201, is amended—

(1) in subsection (c)(2), by striking the undesignated matter after subparagraph (C); and

(2) by adding at the end the following:

''(f) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person that makes or obligates to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made or obligated to be made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person filing the report shall file an additional report each time that independent expenditures are made or obligated to be made aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person that makes or obligates to make independent expenditures aggregating $10,000 or more after the 90th day and up to and including the 20th day before an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made or obligated to be made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person filing the report shall file an additional report each time that independent expenditures are made or obligated to be made aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) CONTENTS OF REPORT.—A report under this subsection—

''(A) shall be filed with the Commission;

''(B) shall contain the information required by subsection (c).''.

(b) AFFIDAVIT REQUIREMENT.—

(1) REQUIRED FROM PERSON MAKING EXPENDITURE.—Section 304(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)), as amended by subsection (a), is amended—

(A) in paragraph (2)(B), by striking ''certification'' and inserting ''affidavit (in the case of a committee, by both the chief executive officer and the treasurer of the committee)''; and

(B) by adding at the end the following:

''(4) Not later than 48 hours after making any independent expenditure, a person described in paragraph (1) shall file the affidavit described in paragraph (2)(B) with respect to the expenditure with the Commission.''.

(2) REQUIRED FROM CANDIDATE REFERRED TO IN EXPENDITURE.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following:

''(g) AFFIDAVIT REQUIREMENTS.—

''(1) COMMISSION.—Not later than 48 hours after receipt of an affidavit under subsection (c)(4), the Commission shall notify the candidate to which the independent expenditure refers and the candidate's campaign manager and campaign treasurer that an expenditure has been made and an affidavit has been received.

''(2) CANDIDATE.—Not later than 48 hours after receipt of notification under paragraph (1), the candidate and the candidate's campaign manager and campaign treasurer shall each file with the Commission an affidavit, under penalty of perjury, stating whether or not the independent expenditure was made in cooperation, consultation, or concert, with, or at the request or suggestion of, the candidate or authorized committee or agent of such candidate.''.

(c) CONFORMING AMENDMENT.—Section 304(c)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)(3)) is amended by inserting ''or subsection (f)'' after ''this subsection''.

SA 114. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 7, line 24, before ''; and'', insert the following: ''so that a reasonable person would not disagree that the meaning of the communication, taken as a whole, was to urge the election or defeat of a clearly identified candidate.''

On page 15, line 20, insert the following:

''(iv) promotes or supports a candidate for that office, or attacks or opposes a candidate for that office (regardless of whether the communication expressly advocates a vote for or against a candidate) so that a reasonable person would not disagree that the meaning of the communication, taken as a whole, was to urge the election or defeat of a clearly identified candidate.''

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Monday, March 19, 2001, to conduct a hearing on ''The Health of H.U.D.'s Federal Housing Administration Insurance Fund.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Strategic of the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, March 19, 2001 at 2:30 p.m., in open session to receive testimony on the fiscal year 2000 report to Congress of the panel to assess the reliability, safety, and security of the United States nuclear stockpile.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. FEINGOLD. Mr. President, I ask unanimous consent that Jeff Lehman, an intern in my office, be granted privileges of the floor during the debate on S. 27, and that privileges of the floor be granted for the duration of the debate on S. 27 to the members of my staff whose names appear below:

Bill Dauster, Ari Geller, Farhana Khera, Trevor Miller, Mary Murphy, Brian O'Leary, Mary Frances Repko, Thomas Reynolds, Mary Ann Richmond, Bob Schiff, Sumner Slichter, Kitty Thomas, Tom Walls, Adam Waskowski, Hilary Wenzler.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask unanimous consent that Martin Siegel, a staff member of the Senate Judiciary Committee working with Senator SCHUMER, be granted the privilege of the floor during the pendency of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

BANKRUPTCY REFORM ACT OF 2001

On March 15, 2001, the Senate amended and passed S. 420, as follows;

S. 420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bankruptcy Reform Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows: